

SENATE BILL 92

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2003 Regular Session  
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By: **Senator Kasemeyer (Chairman, Joint Committee on Pensions)**

Introduced and read first time: January 22, 2003

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Local Fire and Police Retirement System - Reemployment of Retirees**

3 FOR the purpose of exempting from a certain offset of an allowance certain retirees of  
4 the Local Fire and Police Retirement System who are reemployed by certain  
5 employers; altering certain requirements for the reemployment of certain  
6 retirees of the Local Fire and Police Retirement System; and generally relating  
7 to the reemployment of retirees of the Local Fire and Police Retirement System.

8 BY repealing and reenacting, with amendments,  
9 Article - State Personnel and Pensions  
10 Section 28-402  
11 Annotated Code of Maryland  
12 (1997 Replacement Volume and 2002 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - State Personnel and Pensions**

16 28-402.

17 (a) [Subject to subsection (b) of this section, an] AN individual who is  
18 receiving a service retirement allowance or vested allowance may accept employment  
19 with a participating employer on a permanent, temporary, or contractual basis,  
20 without any reduction in the allowance, if:

21 (1) the individual immediately notifies the Board of Trustees of the  
22 individual's intention to accept the employment; and

23 (2) the individual specifies the compensation to be received.

24 (b) (1) [This subsection does not apply to:

25 (i) an individual whose average final compensation was less than  
26 \$10,000 and who is reemployed on a temporary or contractual basis; or

1 (ii) an individual who is serving in an elected position as an official  
2 of a participating governmental unit or as a constitutional officer for a county that is  
3 a participating governmental unit] THE BOARD OF TRUSTEES SHALL REDUCE THE  
4 ALLOWANCE OF AN INDIVIDUAL WHO ACCEPTS EMPLOYMENT AS PROVIDED UNDER  
5 SUBSECTION (A) OF THIS SECTION IF THE INDIVIDUAL'S CURRENT EMPLOYER IS A  
6 PARTICIPATING EMPLOYER OTHER THAN THE STATE AND IS THE SAME  
7 PARTICIPATING EMPLOYER THAT EMPLOYED THE INDIVIDUAL AT THE TIME OF THE  
8 INDIVIDUAL'S LAST SEPARATION FROM EMPLOYMENT WITH A PARTICIPATING  
9 EMPLOYER BEFORE THE INDIVIDUAL COMMENCED RECEIVING A SERVICE  
10 RETIREMENT ALLOWANCE OR VESTED ALLOWANCE.

11 (2) [The Board of Trustees shall reduce an individual's allowance by]  
12 THE REDUCTION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL  
13 EQUAL the amount that the sum of the individual's initial annual basic allowance and  
14 the individual's annual compensation exceeds the average final compensation used to  
15 compute the basic allowance.

16 (3) EXCEPT FOR AN INDIVIDUAL WHOSE ALLOWANCE IS SUBJECT TO A  
17 REDUCTION AS PROVIDED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE  
18 REDUCTION OF AN ALLOWANCE UNDER THIS SUBSECTION DOES NOT APPLY TO:

19 (I) AN INDIVIDUAL WHOSE AVERAGE FINAL COMPENSATION WAS  
20 LESS THAN \$10,000 AND WHO IS REEMPLOYED ON A TEMPORARY OR CONTRACTUAL  
21 BASIS; OR

22 (II) AN INDIVIDUAL WHO IS SERVING IN AN ELECTED POSITION AS  
23 AN OFFICIAL OF A PARTICIPATING GOVERNMENTAL UNIT OR AS A CONSTITUTIONAL  
24 OFFICER FOR A COUNTY THAT IS A PARTICIPATING GOVERNMENTAL UNIT.

25 (c) An individual who is receiving a service retirement allowance or a vested  
26 allowance and who is reemployed by a participating employer may not receive  
27 creditable service or eligibility service during the period of reemployment.

28 (d) The individual's compensation during the period of reemployment may not  
29 be subject to the employer pickup provisions of § 21-303 of this article or any  
30 reduction or deduction as a member contribution for pension or retirement purposes.

31 (e) The State Retirement Agency shall institute appropriate reporting  
32 procedures with the affected payroll systems to ensure compliance with this section.

33 (f) (1) Immediately on the employment of any individual receiving a service  
34 retirement allowance or a vested allowance, a participating employer shall notify the  
35 State Retirement Agency of the type of employment and the anticipated earnings of  
36 the individual.

37 (2) At least once each year, in a format specified by the State Retirement  
38 Agency, each participating employer shall provide the State Retirement Agency with  
39 a list of all employees included on any payroll of the employer, the Social Security  
40 numbers of the employees, and their earnings for that year.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 July 1, 2003.